

ASSEMBLY BILL

No. 1851

Introduced by Assembly Member Norby

February 12, 2010

An act to amend Section 42238.1 of the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1851, as introduced, Norby. Education finance: inflation adjustment to revenue limits.

Existing law establishes the public elementary and secondary school system in this state, and further establishes a funding system pursuant to which the state apportions funds to local educational agencies in accordance with district revenue limits, the calculation of which is partly based on the average daily attendance of pupils at the schools operated by those agencies. Numerous statutes and regulations govern the calculation and reporting of average daily attendance. Existing law requires the Superintendent of Public Instruction to calculate an annual inflation adjustment to these district revenue limits, and specifies the computations necessary to make this calculation.

This bill would make technical, nonsubstantive changes in the provision relating to the calculation of the annual inflation adjustment.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 42238.1 of the Education Code is
2 amended to read:

1 42238.1. (a) For the 1986–87 fiscal year and each fiscal year
2 up to and including the 1998–99 fiscal year, the Superintendent
3 of ~~Public Instruction~~ shall compute an inflation adjustment equal
4 to the product of paragraphs (1) and (2):

5 (1) Compute the sum of the following:

6 (A) The statewide average base revenue limit per unit of average
7 daily attendance for the prior fiscal year for districts of similar
8 type.

9 (B) The amount, if any, per unit of average daily attendance
10 received by the district pursuant to Article 8 (commencing with
11 Section 46200) of Chapter 2 of Part 26 of *Division 4* for the prior
12 fiscal year.

13 (2) The percentage change in the annual average value of the
14 Implicit Price Deflator for State and Local Government Purchases
15 of Goods and Services for the United States, as published by the
16 United States Department of Commerce for the 12-month period
17 ending in the third quarter of the prior fiscal year. This percentage
18 change shall be determined using the latest data available as of
19 May 1 of the preceding fiscal year compared with the annual
20 average value of the same deflator for the 12-month period ending
21 in the third quarter of the second preceding fiscal year, using the
22 latest data available as of May 1 of the second preceding fiscal
23 year, as reported by the Department of Finance.

24 (b) For the 1999–2000 fiscal year and each fiscal year thereafter,
25 the Superintendent of ~~Public Instruction~~ shall compute an inflation
26 adjustment equal to the product of paragraphs (1) and (2):

27 (1) Compute the sum of the following:

28 (A) The statewide average base revenue limit per unit of average
29 daily attendance for the prior fiscal year for districts of similar
30 type.

31 (B) The amount, if any, per unit of average daily attendance
32 received by the district pursuant to Article 8 (commencing with
33 Section 46200) of Chapter 2 of Part 26 of *Division 4* for the prior
34 fiscal year.

35 (2) The percentage change in the annual average value of the
36 Implicit Price Deflator for State and Local Government Purchases
37 of Goods and Services for the United States, as published by the
38 United States Department of Commerce for the 12-month period
39 ending in the third quarter of the prior fiscal year. This percentage
40 change shall be determined using the latest data available as of

- 1 May 10 of the preceding fiscal year compared with the annual
- 2 average value of the same deflator for the 12-month period ending
- 3 in the third quarter of the second preceding fiscal year, using the
- 4 latest data available as of May 10 of the preceding fiscal year, as
- 5 ~~report~~ *reported* by the Department of Finance.
- 6 (c) This section shall become operative July 1, 1986.